

Purpose: For Decision

Committee report

Committee	CABINET
Date	TUESDAY, 17 SEPTEMBER 2013
Title	ISLAND STUDIO SCHOOL
Report to	THE CABINET MEMBER FOR CHILDRENS SERVICES AND THE CABINET MEMBER FOR RESOURCES

EXECUTIVE SUMMARY

1. This report seeks members' approval to enter into 125 year lease with the Inspire Academy Trust for the former East Cowes Primary School Site for the purposes of operating the Island Free School. The Free School will increase the range of educational choices for children between 14 and 19 years of age and is supported by a number of prominent Island businesses.

BACKGROUND

2. The Government has recently approved the bid by City College, Southampton for the development of a Studio School on the Island to open in September 2014. The School will cater for 300 students and will specialise in marine and offshore engineering. It has support from Gurit, Vikoma and Navitus Bay (offshore wind farm) for its proposals.
3. Studio Schools are designed for 14-19 year olds of all abilities. They are small schools for 300 students; and with year-round opening and a 9-5 working day, they feel more like a workplace than a school. Working closely with local employers, Studio Schools will offer a range of academic and vocational qualifications including GCSEs in English, Maths and Science, as well as paid work placements linked directly to employment opportunities in the local area. Students will gain a broad range of employability and life skills through the CREATE skills framework, and will have the option to go on to university, further training, and into employment.
4. Studio Schools are set up as Academies and the Island Studio School will be operated by the Inspire Academy Trust which is sponsored by City College, Southampton and which also operates Southampton Studio School (opens September 2013). The Trust will be the lessee for the site and is anticipating a long (125 year) full repairing lease for it at a peppercorn rent.
5. In considering its approval of the bid for the Island Studio School the Government was mindful that the length of lease to be agreed with the Council would be sufficient to offer

stability to the school and represent value for money. Its expectation is that any lease of publicly owned premises should be for a peppercorn rent with no premium payable.

6. Following the Government's approval of the School the Trust contacted the Council with a view to confirming the terms of the proposed lease so that it is able to occupy the site as soon as possible and undertake building works to prepare it for opening in September 2014. It has been allocated a budget of just under £2m from the Education Funding Agency (EFA) for the refurbishment of the former school site and has appointed a contractor and architect to undertake the works. The contractor has confirmed that it hopes that 70% of the work in the supply chain will be placed with Island firms.
7. The Trust is planning to submit a planning application for its required works in August in order to ensure the building is able to open on time in September 2014.
8. The Department for Education has drafted a standard lease for use when transferring the leasehold of council owned premises to an academy school which will be used in this instance
9. Sea Shells Pre-school building is located adjacent to the premises to be leased to the Academy Trust but is not proposed to be transferred to the Academy. It did have an interest in acquiring part of the site of the former primary school in order to extend the number of places it is able to offer but this will not be possible if it is developed as the Studio School.

STRATEGIC CONTEXT

10. Full Council agreed that the 'Framework for Change' should be used as the basis for developing the council's new corporate plan. The development of the Studio School is consistent with the priority set out in the 'Framework for Change' to support the council's statutory functions and schools for which it is responsible and who are the council's partners in the process.

CONSULTATION

11. The bid for a Studio School was prepared with the full support of the council and on the understanding that it would make available the site of the former East Cowes Primary School in Grange Road East Cowes as its base. The council's support was expressed in a letter from the Chief Executive in December 2012 which stated that:-

"As part of the Isle of Wight's strategic plan to increase attainment and participation at KS4 the Council recognises that there is a need for diversity and choice to ensure that young people and their families have access to a range of learning opportunities on the Island....

It is important to our economy to provide young people on the Island with entrepreneurial and job creation skills, particularly in relation to these important sectors [marine manufacturing and offshore energy]. We recognise the potential for the Island Studio School to engender in students the confidence and skills to get and keep great jobs on the Island".

FINANCIAL / BUDGET IMPLICATIONS

12. In allowing the development of a Studio School on the site of the former East Cowes Primary School the council is foregoing a potential capital receipt of approximately £400,000 from the sale of the asset. It is however, unlikely to realise this capital receipt in the short term given the need for it to obtain the permission of the Secretary of State for Education to dispose of the site.
13. For as long as the Council is in occupation of surplus school buildings it will have to provide for the costs of 'holding' these assets. The costs to the council of holding the empty property are in the order of £20,000 (for utility standing charges, business rates and contingencies for maintenance and urgent works), but these exclude other costs which may arise, such as boarding up. There is only budget available in the current year to fund these costs and no budget allocated in the medium to long term.
14. The council has not received rental income from this property therefore its transfer to the Inspire Academy Trust will not result in any loss of revenue income to it.

CARBON EMISSIONS

15. It is estimated that the energy consumed in maintaining the site amounts to some 42,500 kWh per annum, equating to 18 tonnes of CO₂ emissions. Under the revised CRC energy efficiency scheme regulations the saving to the council on the cost of allowances for the site would be approximately £183 for 2013/14 if the recommendation in the report is agreed.

LEGAL IMPLICATIONS

16. Under sections 13 and 14 of the Education Act 1996, as amended by the Education and Inspections Act 2006, a local education authority has a general statutory duty to ensure that there are sufficient school places available to meet the needs of the population in its area. A Local Authority must promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential. They must also ensure that there are sufficient schools in their area and promote diversity and increase parental choice. To discharge this duty the Local Authority has to undertake a planning function to ensure that the supply of school places balances the demand for them.
17. The council currently holds the property on a freehold basis for the purposes of education. The provisions of the Academies Act (2010) and the Education Act 2011 require that it must first seek the approval of the Secretary of State for Education before it is able to dispose of any property held for education purposes. Both Acts provide the Secretary of State with the power to direct the Council to lease surplus/unused properties to an Academy on beneficial terms where it has demonstrated to the satisfaction of the Department for Education that it has the need for the facility.

EQUALITY AND DIVERSITY

18. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations

between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The proposal in this report has no direct impact on those with protected characteristics.

OPTIONS

19. The following options are offered for members' consideration:-
- (i) Agree to lease the former East Cowes Primary School Site to the Inspire Academy Trust for the purposes of operating the Island Free School; on a 125 year full repairing lease at a peppercorn rent.
 - (ii) Agree to lease the former East Cowes Primary School Site to the Inspire Academy Trust for the purposes of operating the Island Free School; on terms to be agreed.
 - (iii) Do not agree to lease the former East Cowes Primary School Site to the Inspire Academy Trust for the purposes of operating the Island Free School and seek alternative uses for the site.

RISK MANAGEMENT

20. If the council is not able to proceed with a lease to the Academy Trust there is a risk that it will not be able to provide a range of choices for secondary education that will allow local children to maximise their potential for achievement and improve their employment possibilities especially in these key sectors to the Island's economy.
21. There is also risk that the private sector supporters of the Studio School will be unwilling to work with the council to support its aspirations for the economic development of the Island if it cannot complete the lease with the Academy Trust. The pupils educated in the Studio School will have many of the skills that these organisations need for their future development and sustainability and without the council's support for the Studio School these organisations may consider that the council is not supportive of their own aspirations for growth.
22. There is a high risk that the Secretary of State for Education will refuse the council permission to dispose of this or any other vacant education property for any other purpose if it does not enter into the proposed lease with the Academy Trust. The council would then be left with the costs for holding an empty asset until such time as an alternative education use could be agreed for it.

EVALUATION

23. The Island Free School will provide additional education choice and diversity for children aged 14 to 19 years of age. It is supported by local businesses in marine and offshore energy sectors and will become increasingly important to the Island's economy. The provision of the Free School will enable these businesses to have some assurance that they will have a sustainable source of a skilled and appropriately qualified workforce on which they can base future plans for development and growth.

24. The former East Cowes Primary School site in East Cowes has been vacant since the school closed as part of the school reorganisation programme. Although a number of alternative uses have been considered there have been no confirmed plans for the future use of the building. Although an estimated value of £400,000 has been placed on the site this would be subject to the Council achieving planning permission for its use for residential purposes.
25. The development of the Studio School in East Cowes would be consistent with the Government's wish to see these new types of school accommodated in existing buildings provided by the public sector for education purposes and would also bring the possibility of additional economic benefit to the town from the staff and pupils attending the school.

RECOMMENDATION

26. On the basis of the information contained in this report it is recommended that the council adopts option (i) to:-
- (i) Agree to lease the former East Cowes Primary School Site to the Inspire Academy Trust for the purposes of operating the Island Free School; on a 125 year full repairing lease at a peppercorn rent.

APPENDICES ATTACHED

[APPENDIX](#) - Site Plan

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